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C O N F I D E N T I A L SECTION 01 OF 03 QUITO 000976

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [ASEC](#) [PINR](#) [EC](#)

SUBJECT: ECUADOR: EMBASSY CONTINUES OUTREACH, OAS CONTINUES MISSION, SITUATION CALM

Classified By: Ambassador Kristie A. Kenney for reason 1.4 (b&d).

11. (C) Summary: The Ambassador met separately with Minister of Government Mauricio Gandara and First Lady Maria Paret de Palacio on April 28. The OAS delegation continued its round of meetings with political parties, indigenous, civil society groups, jurists, and ex-presidents, and will meet with media and business representatives on April 29. Congress called for an investigation into the incidents at Congress on April 20, where President Palacio and the Congress were unprotected and sequestered for hours by an angry mob which proceeded to loot the building. The GOE announced initiatives to promote national dialogue and boost social spending. The security situation in Quito remains relatively calm. End Summary.

Ambassador Continues Outreach

12. (C) The Ambassador met with Minister of Government Mauricio Gandara (SepTel) and separately with First Lady Maria Paret de Palacio on April 28. Paret told the Ambassador that she is a U.S. citizen and has lived in Miami for the past eight years with her children. Her new job came as a surprise twist of circumstance--although it was not entirely unexpected, she said. As Vice President, Palacio had tried to help Gutierrez but his advice was disregarded. Ultimately, she knew Gutierrez would be forced out of office. As First Lady, she had already assumed the presidency of INNFA, the national children's organization. Paret praised her predecessor, Ximena Borhorquez, for her work in the same capacity. One of Paret's early interests would be providing services for street children. Parents need to take responsibility for their children, and at a minimum should be enrolled in school if receiving government handouts. The Ambassador expressed USG interest in cooperating with INNFA to help victims of trafficking in persons, and provided Paret with background material on the subject and child labor.

OAS

13. (SBU) The OAS had a very full schedule of meetings on the afternoon of April 27 and met with several civil society leaders: Maria Paula Romero of "Ruptura 25," Cesar Montufar of "Participacion Ciudadana," Cristian Bahamonde and Valeria Menino of the Corporation for Latin American Development, a Transparency International representative, and Minister of Defense under former President Jamil Mahuad, Gen. (ret.) Jose Gallardo. The delegation met separately with each of the major political party (except the PRE and PSP), and with indigenous groups including CONAIE, and the Pueblo Originario Kichwa de Sarayacu, a the nation's largest indigenous organization.

14. (SBU) On April 28, the delegation met with noted jurists and former Supreme Court magistrates; ex-president Gutierrez' legal advisor; representatives of Gutierrez' Patriotic Society party (PSP) and (separately) Bucaram's Ecuadorian Roldosista Party (PRE); human rights groups; and former presidents Hurtado, Borja, Duran Ballen, and former VP Leon Roldos. The OAS mission will meet on April 29 with media representatives, business groups, the Solicitor General, and international organizations. They will not travel to Guayaquil.

15. (C) Ambassador Dunn told PolChief that the noted jurists (Ramiro Borja, Heinz Moeller, Cesar Trujilla, Fabian Corral and one other) concurred that the dismissal of Congress was constitutional and justified by the unconstitutional acts of the Gutierrez government. Asked how the OAS could help, Moeller, a former FM and OAS Democracy Charter signatory, requested that the OAS apply the Charter to support Ecuador's democratic institutions. Others requested international assistance to oversee the selection process for new magistrates, and rejection of safe haven for corrupt former GOE officials.

16. (C) Carlos Larrea, Gutierrez' legal advisor, couterargued that the Gutierrez government's actions were constitutional and Congress' dismissal of Gutierrez was illegal. By rights, Gutierrez should be restored to the presidency; Larrea acknowledged that this would not be practical in the current political environment. Gilmar Gutierrez of the PSP described a conspiracy of the oligarchy against his brother's

government, aided by the corrupt media elite. In the end, the oligarchy manipulated a tiny fraction of the population to destabilize the Gutierrez government through street protests. He requested OAS protection, citing threats and slanderous charges being made against him.

17. (C) PRE leaders Adolfo Bucaram (brother of Abdala), Omar Quintana, Ernesto Valle and Fernando Rosero echoed Gilmar's conspiracy allegations. PSC leader Leon Febres Cordero was to blame, they said, in 2005 as in 1997, when ex-president Bucaram was deposed. His party was recouping positions of power lost during Gutierrez' tenure. They criticized the OAS for not acting in 1997 to sanction the undemocratic removal of a president. Not acting now would condone impunity and lead to future overthrows.

SA Foreign Ministers Arriving April 29

18. (C) Brazil DCM Jose Fiuza told us that the South American Community troika, including Brazilian FM Amorim, will arrive from Santiago April 29 and depart April 30. Amorim will be accompanied by Ecuadorian FM Parra and the Peruvian FM, also returning from the Community of Democracy meeting in Santiago. They will be joined here by the Bolivian FM, and have a meeting confirmed with President Palacio. The troika hopes for additional meetings at the MFA, and with Quito Mayor Moncayo, president of congress Wilfredo Lucero, and Democratic Left leader Guillermo Landazuri. The troika visit is conceived of as complementary to the OAS mission, according to Fiuza. We later heard from an MFA source that the Peruvian FM would not be coming to Ecuador, for health reasons, and would be represented by his Ambassador here.

Congress Slows its Pace

19. (U) Congress met briefly on April 27 and discussed a resolution urging the government to investigate the damages to the CIESPAL building, where Congress held its alternate session on April 20. Protesters had prevented Congress and President Palacio, unprotected by police or military at the time, from leaving the building for several hours after Palacio was sworn in. Several congress members were attacked by hostile crowds demanding their ouster as they tried to leave the building. On April 28, Congress called for an investigation into the events at CIESPAL on April 20. PSC congressman Luis Fernando Torres accused military elements of trying to take political control during this period. Due to a bomb threat, Congress was dismissed on April 28 after a one-hour session.

Government Initiatives

110. (U) President Palacio announced on April 26 that dialogue tables ("mesas de dialogo") and regional assemblies were necessary to get citizen input on possible structural reforms. He did not specify the mechanism he would use, except to say that the government would seek support from international organizations to organize the meetings. The goal would be to discuss social, political, and economic topics in a Jeffersonian model of direct democracy. The meetings could help develop the agenda for a national referendum and possibly a constitutional assembly. Palacio said he would meet with national and international organizations to discuss the matter in further detail.

111. (U) Minister of Economy and Finance Rafael Correa announced that the President will submit legislation to Congress to change the allocation of money from oil revenues in the Fund for Stability, Investment, and Reduction of Public Debt (FEIREP). Currently 70% of the money is used to pay public debt and 10% goes to social programs; Correa's proposal would allocate 40% to generate economic development, 15% to education, 15% to public health care, and 10% to science and technology research. Correa said he expected "total support" from Congress for the proposal.

Cabinet: Four More Ministers Named, Three To Go

112. (U) Palacio named four additional ministers on April 27: Minister of Public Works Derliz Palacios, Minister of Social Welfare Alberto Rigail, Minister of Environment Anita Alban, and Minister of Housing Armando Bravo. The ministers of labor, energy, and agriculture have not yet been appointed.

Moves Against Former Government Officials

113. (U) President Palacio announced on April 26 that Ecuador would "shortly" request extradition of former president Gutierrez from Brazil. Media reports noted commentary from legal experts that Brazil had before never granted extradition requests for individuals given political asylum.

14. (U) On April 27, former Supreme Court President Guillermo Castro was detained for four hours on charges of attempted bribery. Castro reportedly offered a \$1,000 bribe to immigration officials for a false Andean travel document. He was released after a habeas corpus petition by the mayor of Santa Rosa (a fellow PRE member) in El Oro province.

Security Situation Still Calm

15. (U) The situation in Quito remains calm. A peaceful anti-OAS protest of approximately 60 people took place outside the hotel where the OAS delegation is conducting its meetings. Most of the protesters are Afro-Ecuadorians from Esmeraldas province, the heartland of the leftist Popular Democratic Movement political party (MPD). Small groups of pro-Gutierrez protesters blocked roads in Tena and Los Rios provinces on April 27.

KENNEY